



# NEWSLETTER



## Missouri FSA News

### Winter 2015

#### Mark Cadle

State Executive Director

#### USDA Farm Service Agency

Missouri State Office  
Parkade Center, Ste. 225  
601 Business Loop 70 W.  
Columbia, MO 65203

573.876.0925 Phone  
855.830.0681 Fax

[www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo)

#### Dates to Remember:

- ◆ **Feb. 1** - Deadline to pay 25 percent of total premium due under Margin Protection Program (MPP)-Dairy.
- ◆ **Feb. 27** - Final date for farm owners to reallocate bases and/or update 2008-2012 yields for farm program sign-up.
- ◆ **March 15** - NAP application closing date for many NAP crops, including forage and pasture. *Since the 15th falls on a weekend, applications are accepted through 3/16.*
- ◆ **March 31** - Final date to make ARC or PLC election for farm program sign-up.
- ◆ **June 1** - Premium balance for MPP-Dairy is due.
- ◆ **July 15** - Final day to report all spring-seeded crops and CRP.

All upcoming deadlines are conveniently located online at: [www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo)

Ask your local office about FSA eAlerts and sign up to receive information via email or text messages.

### Agricultural Risk Coverage (ARC) & Price Loss Coverage (PLC)

**First Sign Up Deadline is Feb. 27th!**

**Now is the time to evaluate your options and decide.**

Farm owners and operators with historic base need to choose between the new 2014 Farm Bill programs—ARC and PLC. The new programs are cornerstones of the commodity farm safety net, offering farmers protection when market forces cause substantial drops in crop prices and revenues. The following are decisions and dates associated with ARC and PLC:

Evaluate	
Now through <b>Feb. 27, 2015</b>	Farm owners with base have the opportunity to update yield history and/or reallocate base acres.
Elect	
Now through <b>March 31, 2015</b>	Producers make a one-time election between ARC & PLC for the 2014 through 2018 crop years.
Enroll	
Beginning Mid-April	Producers sign farm program contracts for 2014 & 2015 crop years.

#### Evaluating your Options

Now through Feb. 27, 2015, farm owners with base and planting history between 2009 and 2012 have a one-time opportunity to:

- 1) Maintain the farm's base acres through 2018
- 2) Reallocate base acres among covered commodities planted on the farm at any time during 2009—2012 crop years (excluding upland cotton bases).

\*Note: Total current base on farm cannot increase or decrease.

Owners will also have the one-time opportunity to update their yields. This is the first time that many producers have been able to update yields since 1986. The updated yields will be calculated using 90 percent of the simple average of the 2008-2012 yields. This yield update is a certification process, therefore, FSA will not accept evidence of these yields. However, certified yields are always subject to spot check.

FSA has worked with the Risk Management Agency (RMA) to make available certified yield data that producers can use to better calculate how the new ARC and PLC programs can offer the best protection against market swings.

Producers should study their options before updating yields or reallocating base acres. To help in this process, web tools can be found at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

In addition, educational meetings are occurring on an ongoing basis. To see a schedule of upcoming meetings, visit [www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo) and click on "State Events". Also at [www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo) are links to a recorded educational meeting that will provide information on ARC and PLC, including web tool use.

## Elect your Safety-Net Approach Now through March 31st

Now until March 31, 2015, all of the producers and owners with a share of a crop on a farm with base must make a one-time, unanimous and irrevocable election of the following coverage that remains in effect from 2014–2018:

Price Loss Coverage (PLC)
PLC program payments are issued when the effective price of a covered commodity is less than the respective reference price for that commodity. The effective price equals the higher of the market year average price or the national average loan rate for the covered commodity.
The PLC payment amount is equal to 85 percent times the base, times the payment rate. PLC payments are not dependent on the crops planted and/or considered planted for the current crop year. Annual production reports are not required to FSA for PLC.
Agricultural Risk Coverage– County (ARC-CO)
ARC-CO provides revenue loss coverage at the county level. ARC-CO payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee for the commodity. The ARC-CO guarantee equals 86 percent of the 5-year Olympic average of national market year average prices (ARC guarantee price), multiplied by the 5-year Olympic average of county yields (ARC county guarantee yield). Payments may not exceed 10 percent of the ARC-CO guarantee price multiplied by the ARC-CO guarantee yield.
The ARC-CO payment is equal to 85 percent of the base acres of the covered commodity times the difference between the county guarantee and the actual county crop revenue for the commodity. Annual production reports are not required to FSA for (ARC-CO).
Agricultural Risk Coverage-Individual (ARC-IC)
ARC-IC provides revenue loss coverage at a farm level. ARC-IC revenue loss payments are made to the ARC-IC farm when the current year revenue for all covered commodities planted on the ARC-IC farm falls below 86 percent of the farm benchmark revenue.
All ARC-IC farms in the state in which a producer has an interest and are enrolled are included in a single ARC-IC revenue calculation to determine a payment rate. The payment rate is capped at 10 percent of the farm's benchmark revenue.
The ARC-IC farm's guarantee equals 86 percent of the ARC-IC farm's individual benchmark guarantee, defined as the five-year average of an ARC-IC farm's annual ARC-IC benchmark revenue (farm's yield for each crop year, multiplied by the higher of the reference price or the market year average price) for all commodities, excluding the high and low annual revenues. Actual revenue is computed using the ARC-IC farm's actual yield times the higher of the market year average price or the national average loan rate. Annual production reports are required to FSA for ARC-IC.

1. PLC or ARC County (ARC-CO) on a covered commodity-by-commodity basis;
  - If electing PLC/ARC-CO, then producers and owners must make a one-time election to select which base acres on the farm are enrolled in PLC and which base acres are enrolled in ARC-CO.
2. ARC Individual (ARC-IC) for all covered commodities on the farm.
  - If electing ARC-IC, then every covered commodity on the farm must participate in ARC - IC.

Producers enrolling in PLC who also participate in the federal crop insurance program may annually choose to purchase additional crop insurance coverage called the Supplemental Coverage Option (SCO). If SCO is available, producers have the option of covering a portion of his or her crop insurance deductible and is based on expected county yields or revenue. The cost of SCO is partially subsidized and indemnities are determined by the yield or revenue loss for the county or area. SCO is only available through federal crop insurers and questions on SCO should be referred to your crop insurance representative.

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## ARC/PLC Election Decisions, Continued...

If producers and owners with a share of crops on a farm do not make a valid election during the election period, the farm will be ineligible for any 2014 payments and the farm will automatically have elected PLC starting in the 2015 crop year.

Election is not enrollment. Producers must still sign a contract to receive program benefits. Without this annual enrollment, producers are not eligible to receive program benefits. The sign-up enrollment period will begin mid-April 2015 for both 2014 and 2015 crop years. The enrollment period for 2016 through 2018 will be an annual sign-up ending June 1 of each year. Any earned payments for PLC and ARC are issued after the end of the respective 12-month marketing year.

If the sum of the base acres on a farm is 10 acres or less, a producer on that farm may not receive PLC or ARC payments, unless the producer is a socially disadvantaged farmer or rancher or is a limited resource farmer or rancher.

## USDA Provides Greater Protection for Fruit, Vegetable and Other Specialty Crop Growers

### ***Free Basic Coverage Plans and Premium Discounts Available for New, Underserved and Limited Income Farmers***

Greater protection is now available from the Noninsured Crop Disaster Assistance Program (NAP) for crops that historically have been ineligible for federal crop insurance. The new options, created by the 2014 Farm Bill, provide greater coverage when natural disasters affect specialty crops such as vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, and energy crops.

Previously, the program offered coverage at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Producers can now choose higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price.

The expanded protection will be especially helpful to beginning, socially disadvantaged producers, and farmers with limited resources, who will receive fee waivers and premium reductions for expanded coverage. More crops are now eligible for the program, including expanded aquaculture production practices, sweet and biomass sorghum. For the first time, a range of crops used to produce bioenergy will be eligible as well.

To help producers learn more about NAP and how it can help them, USDA, in partnership with Michigan State University and the University of Illinois, created an online resource. The web tool, at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap), allows producers to determine whether their crops are eligible for coverage. It also gives them an opportunity to explore a variety of options and levels to determine the best protection level for their operation.

NAP Sales Closing Dates for Missouri	
February 28	Rice
March 15	Most spring-seeded crops; Forage and Pasture
May 1	Ornamental Nursery
September 1	Greens, Aquaculture, Christmas trees, Ginseng root, Turf grass sod, Mushrooms & Floriculture
September 30	Strawberries & Fall-seeded small grains
November 20	Apples, Apricots, Blueberries, Grapes, Nectarines, Peaches, Pears & Plums
December 1	Honey
December 31	Potatoes

USDA-Farm Service Agency  
Missouri State Office  
Parkade Center Suite 225  
601 Business Loop 70 W.  
Columbia, MO 65203

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## Farm Loan Programs - Funding Available!

FSA makes and guarantees loans to family farmers and ranchers to promote, build and sustain family farms. FSA's loan programs are designed to help family farmers to start, purchase or expand their farming operation. FSA offers guaranteed loans, where the loan is made and serviced by a commercial lender and FSA guarantees the lender's loan against loss, or a direct loan made and serviced by FSA. Farm ownership loans are available to help purchase or enlarge a farm or ranch, construct a new or improve an existing farm or ranch building, pay closing costs and pay for soil and water conservation and protection. Operating loans help to purchase livestock and equipment and pay for minor real estate repairs and annual operating expenses. Microloans are direct farm operating loans with a shortened application process designed to meet the needs of smaller, non-traditional, and niche-type operations.

FSA does have funding available. Interested in learning more? Contact your local FSA Office and ask for the Farm Loan staff.

## First Dairy Premium Payment Due

*Attention dairy farmers who elected coverage under the Margin Protection Program for Dairy (MPP-Dairy)*

Twenty-five percent of the total premium for MPP-Dairy is annually due on Feb. 1st. If not paid annually by Feb. 1, coverage will be automatically reduced to CAT level coverage (\$4 coverage level with 90 percent covered history) until the earlier of such time as the 25 percent minimum is paid or June 1. The remaining premium balance is due in full by June 1. New dairy operations are reminded to contact FSA within 30 days of starting to milk to enroll in MPP-Dairy.

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

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